



**DRAFT**  
**STATEMENT OF PROCEEDINGS**  
**FOR THE REGULAR MEETING OF THE**  
**LOS ANGELES COUNTY AUDIT COMMITTEE**  
**KENNETH HAHN HALL OF ADMINISTRATION**  
**500 WEST TEMPLE STREET, ROOM 525**  
**LOS ANGELES, CALIFORNIA 90012**

Thursday, March 17, 2016

10:30 AM

AUDIO FOR THE ENTIRE MEETING. (16-1572)

**Attachments:**    [AUDIO](#)

Present:            Chair James A. Blunt, Vice Chair Dorinne Jordan, Member  
                         Kieu-Anh King and Member Fred Leaf

Absent:            Member Carl Gallucci

**I. ADMINISTRATIVE MATTERS**

1.    Call to Order. (16-1001)

**The meeting was called to order by James Blunt at 10:37 a.m.**

2.    Approval of the February 18, 2016 meeting minutes. (16-1002)

**James A. Blunt, First District, made a motion to amend the action taken on Agenda Item No. 5 of the February 18, 2016 draft meeting minutes as followed:**

**On motion of Dorinne Jordan, seconded by Lori Glasgow, this item was ~~received and filed~~ approved.**

**On motion of Dorinne Jordan, seconded by James A. Blunt, this item was approved as amended.**

**Attachments:**    [SUPPORTING DOCUMENT](#)

3. Recommendation to cancel the Regular Audit Committee meeting scheduled for Thursday, April 21, 2016. (16-1437)

**James A. Blunt, First District, indicated that the next meeting will be held on Thursday, May 19, 2016 at 10:30 a.m. in Room 372 and will include all continued items.**

**On motion of James A. Blunt, seconded by Kieu-Anh King, this item was approved.**

## **II. BOARD POLICIES**

4. Recommendation to approve proposed Board Policy entitled, Proposed Encryption Policy and Implementation Guidelines, for submission to the Board of Supervisors for final action (3/4/16). (16-1353)

**Dorinne Jordan, Second District, asked for the name of the County Counsel associated with the proposed policy; Kirk Shelton, Chief Executive Office, confirmed Manuel Valenzuela of County Counsel is overseeing this policy. Ms. Jordan indicated she has further questions and requested this item be continued.**

**On motion of Dorinne Jordan, seconded by Kieu-Anh King, this item was continued to the next meeting.**

**Attachments:**    [SUPPORTING DOCUMENT](#)

5. Recommendation to review changes to Board Policy No. 9.120- Employment of Qualified GAIN/GROW Participants and extend the sunset review date to March 31, 2019 (2/19/16). (16-1246)

**On motion of James A. Blunt, seconded by Kieu-Anh King, this item was approved.**

**Attachments:**    [SUPPORTING DOCUMENT](#)

## **III. OLD BUSINESS**

6. Department of Public Social Services - Housing Programs Review (1/8/16)(Continued from the meeting of 1/21/16). (16-0330)

**Robert Smythe, Auditor-Controller (A-C), reported that this item was heard at the Children and Family Well-being Cluster on February 24, 2016.**

**In response to questions posed by Dorinne Jordan, Second District, Mr. Smythe confirmed that 100% of the population was reviewed and**

provided a breakdown of their data analysis. In reference to a payment method recommendation made by the A-C, Mr. Smythe noted that the A-C looked at best practices and stated that it is feasible; it would confirm that checks issued were used as intended. Another option is to have signatures from both the client and the landlord when cashing checks.

In regards to the disciplinary action process for staff failing to report conflict of interest, Mr. Smythe stated that disciplinary actions will need to fit the bail schedule and MOA of the union that staff is represented by. Mr. Smythe will email Ms. Jordan regarding the department's disciplinary action for failure to disclose conflicts of interest and added that employees can go through the grievance process, five day suspension, or Civil Service Hearing if suspension is greater than five days.

On motion of Dorinne Jordan, seconded by Kieu-Anh King, this item was received and filed.

Attachments:    [SUPPORTING DOCUMENT](#)

7. Community and Senior Services - Fiscal Monitoring of Dispute Resolution Program Services for Fiscal Year 2014-15 (1/20/16)(Continued from the meeting of 2/18/16). (16-0710)

On motion of James A. Blunt, and by Common Consent, this item was continued to the next meeting.

Attachments:    [SUPPORTING DOCUMENT](#)

8. Probation Department - Hiring Practices and Grant Administration (Board Agenda Item 10, April 14, 2015) (1/22/16) (Continued from the meeting of 2/18/16). (16-0711)

On motion of James A. Blunt, and by Common Consent, this item was continued to the next meeting.

Attachments:    [SUPPORTING DOCUMENT](#)

9. Department of Animal Care and Control - Revenue and Collections Review (2/1/16)(Continued from the meeting of 2/18/16). (16-0799)  
Dorinne Jordan, Second District, thanked Robert Smythe, A-C, for the follow-up on questions that the Committee had from the last meeting. Ms. Jordan questioned if there is any cost estimate for the swipe technology. Mr. Smythe will obtain the estimate and added that he is unsure of where the swipe technology is ranked on the department's budget request for unmet needs based on other priorities.

**On motion of Dorinne Jordan, seconded by James Blunt, this item was received and filed.**

**Attachments:**    [SUPPORTING DOCUMENT](#)

#### **IV. REPORTS**

- 10.**    Fiscal Year 2015-16 Cash Flow Projection (2/12/16). (16-1229)

**On motion of Dorinne Jordan, seconded by Kieu-Anh King, this item was received and filed.**

**Attachments:**    [SUPPORTING DOCUMENT](#)

- 11.**    City of Long Beach - A Department of Public Health Division of HIV and STD Programs Provider - Contract Compliance Review (2/16/16). (16-1231)

**On motion of Dorinne Jordan, seconded by Kieu-Anh King, this item was received and filed.**

**Attachments:**    [SUPPORTING DOCUMENT](#)

- 12.**    Public Safety Realignment Act (AB109) Review - Department of Mental Health - Fiscal Years 2013-14 and 2014-15 (2/22/16). (16-1235)

**On motion of Dorinne Jordan, seconded by Kieu-Anh King, this item was received and filed.**

**Attachments:**    [SUPPORTING DOCUMENT](#)

- 13.**    Department of Health Services - Contract Monitoring Operations Review (2/23/16). (16-1237)

**Dorinne Jordan, Second District, requested clarification on the Contract Monitoring Operations. Kathy Hanks, Department of Health Services (DHS), provided an overview of the role and responsibilities for the Contract Monitoring Operations. Ms. Hanks added that changes have been implemented and as a result there are three different groups that have control over the contract monitoring operation; it is comprised of Centralized Contract Administrative Monitoring, Performance Monitoring and Contract Monitoring each division is accountable for the area they oversee.**

**Ms. Hanks confirmed that she is the Director of Contracts and Grants Division and that each facility has their own contract monitoring liaison.**

Fred Leaf, Fifth District, indicated that due to the needs and services DHS provides having three different groups of Contract Monitoring Operations is a better model.

Kieu-Anh King, Third District, requested clarification on who is responsible for monitoring and authorizing contract spending. Ms. Hanks provided an overview of the various processes for contract spending. Mr. Leaf suggested that the Chief Operations Officer (COO) for each facility be accountable for the overall performance of the Contract Monitoring Operations.

Kieu-Anh King expressed concern regarding the similarities found in the previous year audit and asked what can be done to correct the issues. Ms. Hanks indicated that she will meet with staff responsible for the areas.

Don Chadwick, A-C, suggested that Ms. Hanks and staff responsible for the areas report back in May 2016 with a corrective action plan.

Mr. Leaf suggested renaming the three areas to identify the function of each area; Ms. Hanks agreed to take it into consideration.

Kieu-Anh King requested an update on producing a centralized versus de-centralized risk-based contract monitoring plan at the next meeting.

Dorinne Jordan, Second District, requested the following three categories of contracts be defined: Expired Contracts, Over Budget Contracts and Contracts without a Budget. Ms. Hanks provided an overview of the three types of contracts, and as of today, there are 148 Expired Contracts, 61 Over Budget Contracts and 14 Contracts without a Budget.

By Common Consent, there being no objection, this item was continued to the next meeting.

Attachments:    [SUPPORTING DOCUMENT](#)

14. Treasurer's January 11, 2016 Cash Count (2/24/16). (16-1238)

On motion of Dorinne Jordan, seconded by Kieu-Anh King, this item was received and filed.

Attachments:    [SUPPORTING DOCUMENT](#)

15. Public Health Foundation Enterprises, Inc. - A Department of Public Health Division of HIV and STD Programs Provider - Contract Compliance Review (2/25/16). (16-1239)

**On motion of Dorinne Jordan, seconded by Kieu-Anh King, this item was received and filed.**

**Attachments:**    [SUPPORTING DOCUMENT](#)

16. Treasurer and Tax Collector - Redemption Property Tax Collections Financial and Compliance Audits for Fiscal Year 2014-15 (3/7/16). (16-1361)

**On motion of Dorinne Jordan, seconded by Kieu-Anh King, this item was received and filed.**

**Attachments:**    [SUPPORTING DOCUMENT](#)

17. Department of Health Services' Community Health Plan Financial Audit for the Years Ended June 30, 2014 and 2015 (3/7/16). (16-1362)

**On motion of Dorinne Jordan, seconded by Kieu-Anh King, this item was received and filed.**

**Attachments:**    [SUPPORTING DOCUMENT](#)

18. County Departments' Revolving Funds and Revolving Cash Trust Funds as of June 30, 2015 (3/8/16). (16-1372)

**On motion of Dorinne Jordan, seconded by Kieu-Anh King, this item was received and filed.**

**Attachments:**    [SUPPORTING DOCUMENT](#)

19. Contractor Alert Reporting Database Status Report - March 2016 (3/10/16). (16-1403)

**Dorinne Jordan, Second District, asked that the dates of recommended placement on CARD be included in future reports; Aggie Alonso, A-C, confirmed that the dates will be added.**

**On motion of Dorinne Jordan, seconded by Kieu-Anh King, this item was received and filed.**

**Attachments:**    [SUPPORTING DOCUMENT](#)

20. Public Safety Realignment Act (AB109) Review - Lower Risk Departments - Fiscal Year 2014-15 (3/10/16). (16-1434)

**On motion of Dorinne Jordan, seconded by Kieu-Anh King, this item was received and filed.**

Attachments:    [SUPPORTING DOCUMENT](#)

#### **V. DISCUSSIONS**

21. Increasing Departments' Delegated Purchasing Authority. (16-0912)

**Robert Smythe, A-C, expressed concerns regarding the increase in delegating purchase authority to departments that are unable to manage the existing delegated authority amount and complying with purchasing rules. He noted that a policy has already been implemented and recommends that the increase should be a case by case basis. Mr. Smythe explained the purchasing process and indicated that the delegating purchase authority would increase up to \$15,000 before the department would have to make purchases through the Internal Services Department (ISD) purchasing process.**

**Kieu-Anh King, Third District, indicated that the increase was recommended by the Small Business Commission and Brian Stiger, Department of Consumer and Business Affairs (DCBA), to limit the procurement process and to make it easier for departments to sole source and make direct purchases from local small businesses. This gives the small businesses a larger share of the County's purchasing dollars, which frequently they do not have the technical capacity to go through a longer Request for Purchase process, bids, and Master Service Agreement process.**

**John Naimo, A-C, recommends monitoring the increase going forward to ensure it has intended effects. Mr. Naimo also recommends inviting ISD and DCBA to the next Committee meeting to speak thoroughly on the elements of the purchasing process.**

**On motion of Dorinne Jordan, seconded by Fred Leaf, this item was continued to the next meeting for discussion with representatives from the A-C, ISD and DCBA.**

22. Department of Justice - Probation Camp and Hall Reviews (16-1354)

Aggie Alonso, A-C, indicated that at the last Committee meeting, the Probation Camps and Halls monitoring review was referred to the Justice Deputies and provided a brief update. The Board made a motion to establish the Probation Oversight Commission that will look at all the different types of monitoring being done at Probation Department (PD), report back, recommend the types of monitoring that should be done, and ensure there is no duplication of efforts. As a result, the A-C would like to discontinue their reviews until they hear back from the Commission.

Kieu-Anh King, Third District, and Dorinne Jordan, Second District expressed that their offices would like A C to continue with their regular review until a plan to revise monitoring protocol is in place since the process to move forward in developing an interim measure will take some time. John Naimo, A C, suggested inviting Calvin Remington, PD, to a future meeting so that he can articulate the pros and cons of the reviews and having information for members so that they can make a more informed decision.

Mr. Alonso will provide a schedule of the reviews and noted that it was reduced to semi-annually once the Department of Justice monitoring concluded that they have met the requirement of the provision.

In response to questions posed by Fred Leaf, Fifth District, Don Chadwick, A-C, and Mr. Alonso stated that the Justice Deputies were concerned about the roles of A-C and the oversight body; whether or not they are looking at the same stuff. Mr. Chadwick explained that the Board motion was to create a commission to evaluate the monitoring at PD and identify the best structure.

On motion of Dorinne Jordan, seconding by Kieu-Anh King, this item was continued to the next meeting.

**23. Pending Audits/Monitoring Reports. (16-1003)**

**There we no matters presented.**

**VI. MISCELLANEOUS**

**24. Matters not on the posted agenda (to be Presented and Placed on the Agenda of a Future Meeting). (16-1004)**

**Robert Smythe of the Auditor-Controller indicated that the District Attorney's Office is working with ISD on a purchase order for regional car wash service in various locations throughout the County, eliminating the use of the voyager cards for car washes.**



**25. Public Comment. (16-1005)**

**No members of the public addressed the Committee.**

**26. Adjournment. (16-1006)**

**There being no further business to discuss, the meeting was adjourned at 11:31 a.m.**